Architecture

The Haymarket area along Ontario Ave., ca. 1930. The facilities for the Gateway sports complex now occupy much of the site. WRHS.

African American History

Newsboys gather in front of the Call & Post building, ca. 1935. Photo from the Allen Cole Collection, WRHS.

Labor

The Ironing Department of L.N. Gross Co., ca. 1930. WRHS

LEASEWAY TRANSPORTATION CORP. - The Encyclopedia of Cleveland History

The **LEASEWAY TRANSPORTATION CORP.** was a holding company with over 110 subsidiaries in specialized highway transit, vehicle leasing, and distribution. Formed in 1960, the company was heir to a local cartage firm begun in 1899 by Hugh O'Neill and managed in subsequent years by his family. Hugh O'Neill oversaw the company's transition from a horse-drawn fleet at its inception to a motorized one in 1912, and O'Neill's sons, Hugh Jr., William, and Francis transformed the business into a complex of service, leasing, and trucking companies.

In the 1960s William O'Neill arranged stock exchanges which loosely united the ownership of 79 companies primarily controlled by him and his brothers. The decentralized organization of the new Leaseway Transportation Corp. reflected O'Neill's belief that a relatively small local company would better serve customer needs than a larger, more impersonal one. In his 15 years as president, O'Neill built a $24 million company into a $475 million operation with annual growth of 23% in revenue and 21% in earnings. Leaseway, with 150 companies by 1975, was the third largest publicly held transit company in the United States, with about 75% of its business involved in leasing vehicles to service-specific industries such as retail, automotive, and newspaper delivery. The remainder of the businesses provided fleets of cars and trucks as well as warehouse and distribution services. Demand for Leaseway services followed the inflationary patterns of its client industries, but the company's diverse holdings kept it profitable--even in the 1980s when trucking deregulation and a recession lowered the demand for automobiles and other products carried by the nation's transportation industry.

The O'Neill family, then a 30% holder of Leaseway stock, challenged the existing management in 1986, leading both groups to search for a buyer for the firm. The company's longstanding performance history made it an attractive acquisition, and by Nov. 1987, Leaseway executives managed a billion-dollar buyout by Citicorp Capital Investors, Ltd. The sale returned Leaseway to private ownership, but it also led to future financial difficulties. Prior to the sale, Leaseway's managers negotiated the transfer of Leaseway's Full Service Leasing Div. to Hertz-Penske Truck Leasing, Inc. in 1986 as a way to help pay for the buyout and reduce the firm's debt. In doing so, the company was left with little of the leasing business that had been responsible for much of its early growth. By 1990, the company was struggling to get out of the high interest debt in acquired during the 1986 buyout. In 1992 Leaseway was forced to file for bankruptcy in the wake of declining business. After eliminating nearly $500 million in long-term debt and interest, Leaseway emerged from Chapter 11 bankruptcy protection in 1993. By the end of the 1990s, Leaseway was still one of the largest automobile truck haulers in the U.S., Headquartered at 3401 Enterprise Pkwy. in **BEACHWOOD**. By the end of 2003, Leaseway Motorcar Transport, Co. had just over 1,600 employees.

Eiben, Christopher J. *The Red-Hand Forever: The Hugh M. O'Neill Family of Cleveland, Ohio* (1997)

Last Modified: 25 May 2004 01:41:28 PM

Related Article(s)

- BUSINESS, INDUSTRY AND TECHNOLOGY
- TRANSPORTATION

This site maintained by **Case Western Reserve University**